

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 3, 2009

Kenneth Lowder Metamining of Utah 653 East 100 North Springville, Utah 84663

Subject: Surety Required, Metamining of Utah, Black Magic Mine, S/023/0108, Juab County,

<u>Utah</u>

Dear Mr. Lowder:

On August 18, 2009 the Division received your Notice of Intention to Commence Small Mining Operations (NOI). The Division responded informally and received updated information on October 14, 2009.

The Division finds the NOI complete but must approve the form and amount of reclamation surety before giving final approval for the project. Because the mining only involves removal of existing stockpiles from the pad area, the Division will modify the standard bond amount as follows:

Small Mining Operation Notices

Project Size (Acres)	Surety 3-year escalation	Comments
First acre	\$7,400 (3-year escalation)	\$7,400.00
Second acre revegetation only	\$1,000	\$1,000.00
Total		\$8,400.00

Project Size (Acres)	Surety 5-year escalation	Comments
First acre	\$7,600 (5-year escalation)	\$7,600.00
Second acre	\$1,000	\$1,000.00
revegetation only		
Total		\$8,600.00 UTA

Kenneth Lowder Page 2 of 2 S/023/0108 November 3, 2009

The BLM has concurred with this reclamation cost estimate. The Division understands you and the BLM are working to determine if the minerals are locatable.

The surety can be submitted in the form of a letter of credit, a certificate of deposit, cash (certified funds), or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for further information about submitting the reclamation surety and associated reclamation contract.

If you have any questions regarding this letter, please call me at 801-538-5261 or Wayne Western at 801-538-5263. In reply, please refer to file number S/023/0108. Thank you for your cooperation.

Sincerely,

Paul B. Baker

Minerals Program Manager

RRBILL

PBB:whw:pb

cc: <u>Jerry_Mansfield@BLM.gov</u>
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